!BINGHAM McCUTCHEN LLP
BETH H. PARKER (SBN 104773)
beth.parker@bingham.com
MONTY AGARWAL (SBN 191568)
monty.agarwal@bingham.com
JUDITH S. H. HOM (SBN 203482)
judith.hom@bingham.com
CHI SOO KIM (SBN 232346)
chisoo.kim@bingham.com
THOMAS S. CLIFFORD (SBN 233394)
tom.clifford@bingham.com
Three Embarcadero Center
San Francisco, California 94111-4067
Telephone: (415) 393-2000
Facsimile: (415) 393-2286

Attorneys for Defendants
Seoul Semiconductor, Co., Ltd. and
Seoul Semiconductor, Inc.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

Nichia Corporation,

Plaintiff,

v.

Seoul Semiconductor Co., Ltd., Seoul Semiconductor, Inc.,

Defendants.

No. 3:06-CV-0162 (MMC)

SEOUL SEMICONDUCTOR CO., LTD. AND SEOUL SEMICONDUCTOR, INC.'S MOTION TO EXCLUDE THE TESTIMONY OF COOPER C. WOODRING

Date: July 27, 2007
Time: 9:00 a.m.
Place: Courtroom 7, 19th Floor
Judge: Hon. Maxine M. Chesney

REDACTED VERSION
ORIGINAL SUBMITTED UNDER SEAL

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF AUTHORITIES

Page

Cases

TABLE OF AUTHORITIES
(continued)

Page

Statutes

Rules

NOTICE OF MOTION AND MOTION

Pursuant to Federal Rules of Evidence 104(a), 702 and 703 and Civil Local Rules 7-2, Defendants Seoul Semiconductor Co., Ltd. ("SSC") and Seoul Semiconductor, Inc. (collectively "Seoul") move the Court to exclude the testimony of Cooper C. Woodring, one of Plaintiff Nichia Corporation's liability experts. The parties respectfully request that the motion be heard before the Court on July 27, 2007, at 9:00 a.m. with the parties' motions for summary judgment because Nichia relies extensively and on some issues, exclusively, on Mr. Woodring in its Motion for Summary Judgment, or at any other time the Court deems appropriate.[1]

Seoul respectfully requests that the Court exclude the reports and testimony of Mr. Woodring 1) because he is not qualified to testify as an expert in this matter and his testimony is not based on sufficient facts or data; 2) as an ordinary observer; 3) as one of ordinary skill in the art. Seoul also respectfully requests that the Court strike Nichia's reliance on Mr. Woodring in Nichia's Motion for Summary Judgment, including those portions of Nichia's Motion relying on inadmissible hearsay.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Nichia retained two liability experts, Mr. Woodring and Dr. E. Fred Schubert.[2] Both Mr. Woodring and Dr. Schubert opined on infringement in their opening expert reports. Both experts reviewed and responded to the report of Seoul's liability expert, Mr. Richard A. Flasck. In rebuttal, Mr. Woodring opined on the invalidity grounds of hidden in use, functionality, anticipation, and obviousness. And Dr. Schubert opined on the invalidity grounds of functionality and obviousness. Nichia relies on Mr. Woodring's testimony extensively in its

---

[1] The parties are concurrently filing a Stipulated Request And [Proposed] Order to shorten time to hear Seoul's motion on July 27, 2007, with Nichia's Motion for Summary Judgment.

[2] Seoul has retained one liability expert, Mr. Richard A. Flasck.

Motion for Summary Judgment for its claims on direct infringement and defenses to invalidity on anticipation, obviousness, and functionality. Seoul moves to exclude Mr. Woodring and strike Nichia's reliance on Mr. Woodring in its Motion for Summary Judgment.

Mr. Woodring is not qualified to testify as an expert in this matter on infringement or invalidity, the topics for which his testimony is presented. Mr. Woodring's testimony should also be excluded because it is not based on sufficient facts or data.

On infringement and hidden in use, Mr. Woodring is not an ordinary observer and his testimony does not "assist the trier of fact" as the record already includes evidence from actual ordinary observers. "Design experts" are not ordinary observers and regardless, Mr. Woodring has never designed an LED.

On invalidity and the point of novelty test for infringement, Mr. Woodring lacks the basic qualifications of one of ordinary skill in the art. He does not come close to meeting the definition agreed upon by Nichia's other liability expert, Dr. Schubert, and Seoul's liability expert, Mr. Flasck.

In its Motion for Summary Judgment, Nichia relies solely on Mr. Woodring's testimony regarding what the inventor of Nichia's patents told Mr. Woodring, and offers it for the truth of the matter-- [redacted] This is inadmissible hearsay and should be stricken from Nichia's Motion.

///

///

///

///

///

///

///

II. FACTS[3]

A. Mr. Woodring's Lack Of Qualifications To Testify As An Expert In This Matter

Mr. Woodring is an industrial designer. [redacted] As a point of reference for the Court, Mr. Richard A. Flasck, Seoul's liability expert, has selected, designed, and developed several LED products and prototypes over the last 15 years of his total 35 years of product design experience.[4] Declaration of Chi Soo Kim In Support Of Seoul's Motion For Claim Construction And For Summary Judgment ("Kim Decl."), Updated Ex. LL at 5 (Fla. Rpt.) (Docket Nos. 319-2 & 319-3); Ex. C, Tr. 6:2-13:4 (Fla.).

---

[3] The facts regarding the parties and underlying action are set forth in Seoul's Motion for Claim Construction and for Summary Judgment (Docket Nos. 288 and 289) and are not repeated here.

[4] Mr. Flasck has other experience relevant to LEDs with backlighting, LCDs, semiconductor display chips, surface mount technology boards, and injection molds. Kim Decl., Updated Ex. LL at 5 (Fla. Rpt.); Ex. C, Tr. 6:2-13:4 (Fla.). He also has experience in manufacturing and the supply chain of optical components. Ex. C, Tr. 13:5-14:8 (Fla.). Mr. Flasck is also an ordinary observer because he has evaluated and had responsibility for selecting LEDs to incorporate into products as a purchaser. Ex. C, Tr. 9:17-11:21 (Fla.). The ordinary observer is the purchaser of the accused product. *See Gorham Mfg. Co. v. White*, 81 U.S. 511, 528 (1872); *Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co.*, 162 F.3d 1113, 1117 (Fed. Cir. 1998). All of this experience has been outside of this litigation.

B. Mr. Woodring's Opinions

Nichia retained Mr. Woodring as an expert witness on infringement and he opines that SSC's 902-BUe and 902-BX1e LEDs, two models of the accused 902 series, infringe Nichia's design patents in suit. Declaration of Kenneth Krosin In Support Of Nichia's Motion For Summary Judgment ("Krosin Decl."), Ex. 19 at ¶¶ 7, 8, 66 (Woodring Infringement Rpt.) (Docket No. 303). Mr. Woodring also submitted a rebuttal report to the report of Seoul's expert, Mr. Flasck, on the invalidity of Nichia's design patents in suit. Krosin Decl., Ex. 35 at ¶ 2 (Woodring Rebuttal Rpt.). Mr. Woodring was deposed on May 30, 2007. Nichia relies extensively upon Mr. Woodring's testimony in its Motion for Summary Judgment (Docket Nos. 299-302).

On invalidity, Mr. Woodring opines on a number of issues: 1) On hidden in use, he opines that LEDs are a matter of concern though hidden in use because they are "visible during at least a portion of their commercial life"; 2) On functionality, he opines that Nichia's patents are valid because their designs are not primarily functional, each feature of Nichia's patents is not "dictated by function" because there are several ornamental design choices, and the inventor of Nichia's patented designs told Mr. Woodring that he intended to create an ornamental design; 3) On anticipation, he opines that Nichia's patents are not anticipated by Fairchild Semiconductor's SC70 package design and Mr. Flasck does not identify a single prior art reference identical in all material respects to the claimed design; and 4) On obviousness, he opines that it would not have been obvious to one of ordinary skill in the art to create Nichia's designs by modifying the SC70 package or Nichia's 215 device, combining the SC70 package with knowledge of one of ordinary skill in the art, or combining the SC70 package with the Matsushita patent, JP 984224. *See* Krosin Decl., Ex. 35 at ¶¶ 7-98 (Woo. Rebuttal Rpt.).

C. Mr. Woodring's Opinions Are Not Based On Sufficient Facts Or Data As Required Under Rule 702, But Are Based On Startlingly Insufficient Information

Mr. Woodring's opinions are based on incomplete and inadequate information

and do not meet Rule 702's pre-requisite that expert testimony be based on sufficient facts or data.

In preparation of his Infringement Report, [redacted]

For his Rebuttal Report, Mr. Woodring only reviewed *portions* of six, of the twenty non-expert witnesses deposed by May 9th, depositions selected and provided to him by Nichia's counsel. Ex. A, Tr. 42:20- 44:9 (Woo.) [redacted]; Potter Decl. ¶ 2. Mr. Woodring reviewed portions of the following depositions: Dan Doxsee (Nichia America), Jeong Ju Kim (Namotek), Bang Gun Kim (Hyundai LCD), Hidehiko Naete (Stanley Electric Company), Akira Onikiri (Citizen Electronics), and Hiroyshi Tominaga (Nichia). Krosin Decl., Ex. 35 at Ex. 11 (Woo. Rebuttal Rpt.). [redacted]

[redacted] Section II.D below.

Several, actual ordinary observers have been deposed in this matter including Jeong Ju Kim of Namotek, Bang Gun Kim of Hyundai LCD, and Dong-Hwan Lee of Samsung SDI.[5]

D. Mr. Woodring's Opinion Regarding Inventor Intent Is Based Solely On Inadmissible Hearsay

Mr. Woodring concedes that his opinion that [redacted]

Ex. A, Tr. 175:16-21 (Woo.). In its Motion for Summary Judgment, Nichia relies solely on this inadmissible testimony for its assertion that Mr. Ishida intended his designs to be ornamental. (Nichia Mot. at 35)

III. STATEMENT OF ISSUES TO BE DECIDED

1) Whether the testimony and expert reports of Mr. Woodring should be excluded because he is not qualified to testify as an expert in this matter on infringement or validity and his testimony is not based on sufficient facts or data.

---

[5] Mr. Flasck is also an ordinary observer because he has evaluated and had responsibility for selecting LEDs to incorporate into products as a purchaser. Ex. C, Tr. 9:17-11:21 (Fla.).

2) Whether Mr. Woodring should be precluded from opining on the viewpoint of an ordinary observer because he agrees that he is not an ordinary observer and his testimony does not "assist the trier of fact" as the record includes evidence from actual ordinary observers.

3) Whether Mr. Woodring should be precluded from testifying as or opining on the viewpoint of one of ordinary skill in the art because he is not one of ordinary skill in the art and does not even meet the definition agreed upon by both Seoul's liability expert, Mr. Flasck, and Nichia's other liability expert, Dr. Schubert.

4) Whether the portions of Nichia's Motion for Summary Judgment relying on hearsay to establish that the inventor of the designs embodied in the patents-in-suit intended his designs to be ornamental and that the final design reflects his "aesthetic choices" should be stricken.

IV. ARGUMENT

A. Mr. Woodring Is Not Qualified To Testify As An Expert In This Matter And His Testimony Is Not Based On Sufficient Facts Or Data As Required Under Rule 702

As described in Section II.B above, Mr. Woodring opines on infringement and validity. His testimony should be excluded because he is not qualified as an expert in the relevant field of LEDs and his testimony is not reliable because it is not based on sufficient facts or data. *See* Fed. R. Evid. 104(a) and 702.

1. The Legal Standard: Experts Must Be Qualified And Their Testimony Must Be Reliable and Relevant

The rules governing the admissibility of expert testimony ensure and require its reliability and relevance. Fed. R. Evid. 702 & 703; *Kumho Tire Co., Ltd. v. Carmichael*, 526 U.S. 137, 149-52 (1999); *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579, 590, 592-95 (1993); *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 43 F.3d 1311, 1317 (9th Cir. 1995) (on remand) ("*Daubert II*"), *cert. denied*, 516 U.S. 869 (1995). The Court is charged with a gatekeeping function to ensure that only expert testimony that is reliable and "relevant to the

task at hand" is admitted. *Daubert*, 509 U.S. at 597; *see Kumho Tire*, 526 U.S. at 152; *Amorgianos v. National R.R. Passenger Corp.*, 303 F.3d 256, 265 (2d Cir. 2002); *Daubert II*, 43 F.3d at 1316-17.

There are five requirements for the admission of expert testimony. First, a witness must qualify as an expert under Rule 702 by establishing expertise based on his knowledge, skill, experience, training, or education in the relevant field. Fed. R. Evid. 702. A witness who may be qualified as an expert in one particular field may not be qualified as an expert in another, even if related, field. *See Amorgianos*, 303 F.3d at 270 (industrial hygienist not qualified to testify on general medical causation); *Cummins v. Lyle Industries*, 93 F.3d 362, 366-68 (7th Cir. 1996); *Daubert II*, 43 F.3d at 1317-18, 1318 n.9 (excluding plaintiffs' experts who had expertise in their respective fields, but not in the specific issue in the case).

Second, the testimony must consist of scientific, technical, or other specialized knowledge. Fed. R. Evid. 702. Third, the testimony must "assist the trier of fact." *Id.* Fourth, the testimony must be reliable, which is established if it is based on sufficient facts or data, is the product of reliable principles and methods, and the expert has applied the principles and methods reliably to this case. *Id.* Whether the expert opinion is a product of independent research or was formulated for the litigation is a "very significant fact" in determining its reliability. *Daubert II*, 43 F.3d at 1317. Fifth, the testimony must be based on matters "perceived by or made known to the expert" or "matters reliably relied upon by experts in the particular field." Fed. R. Evid. 703.

2. Mr. Woodring Is Not Qualified To Testify As An Expert In This Matter

Mr. Woodring is not qualified to testify as an expert in this matter on infringement or invalidity and his testimony should be excluded. *See* Fed. R. Evid. 702.

No Experience, Knowledge, or Training in the Relevant Field. [redacted] This "very significant fact" weighs heavily against the

admissibility of Mr. Woodring's testimony. *See Daubert II*, 43 F.3d at 1317-18, 1318 n.9 (while plaintiffs' scientists were "experts in their respective fields" and well-published in those fields, the fact that they did not study the *specific* issue in the case, i.e., the effect of a drug on certain types of birth defects, *before* being hired to testify as experts established that their testimony was not reliable and should be excluded) (affirming summary judgment for defendants where testimony of plaintiffs' experts was excluded); Fed. R. Evid. 702, advisory committee's note (2000).

[redacted] As a point of reference for the Court, Mr. Flasck has selected, designed, and developed several LED products and prototypes over the last 15 years of his total 35 years of product design experience.[6] Kim Decl., Updated Ex. LL at 5 (Fla. Rpt.); Ex. C, Tr. 6:2-13:4 (Fla.).

No Relevant Educational Degrees. Mr. Woodring is an industrial designer. [redacted] the educational areas which both Mr. Flasck and Dr. Schubert agree are necessary here for one of ordinary skill in LED technology. *See* Kim Decl., Updated Ex. LL at 10 (Fla. Rpt.); Krosin Decl., Ex. 8 at ¶ 73 (Sch. Rebuttal Rpt.).

3. Mr. Woodring's Testimony Is Not Based On Sufficient Facts Or Data As Required Under Rule 702

Mr. Woodring's testimony is based on incomplete and inadequate information and does not meet Rule 702's pre-requisite that expert testimony be based on sufficient facts or data. *See* Fed. R. Evid. 702 & 703; Section II.C above.

---

[6] *See supra* n.4.

[redacted] *See* Ex. A, Tr. 42:20-56:16 (Woo.); *see also* Section II.C above. Mr. Woodring's principles and methods could not have been reliably applied to the facts of this case because he did not really review the facts.

Mr. Woodring opines on almost every issue in this litigation (*see* Section II.B above), but didn't review the relevant documents or testimony. [redacted] *See* Section II.C above; *Amorgianos*, 303 F.3d at 268 (excluding testimony of plaintiffs' expert for unsound methodology where data was available to the expert but he inexplicably "did not find it necessary" to include them in his calculation). Like the excluded expert in *Amorgianos*, [redacted]

4. Mr. Woodring Admits That He Has No Basis For His Opinion That SSC Copied Nichia's Design Patents In Suit

[redacted] Nichia relies exclusively on Mr. Woodring's testimony in its Motion for Summary Judgment for its assertion that SSC "must have copied" Nichia's design patents in suit.[7] (*See* Nichia Mot. at 9-11) [redacted]

[7] [redacted]

[redacted]

B. Mr. Woodring Is Not Qualified To Opine On The Viewpoint Of An Ordinary Observer

Mr. Woodring opines that SSC's 902-BUe and 902-BX1e LEDs are substantially the same as Nichia's patented designs in the eyes of an ordinary observer. Krosin Decl., Ex. 19 at ¶¶ 33-58 (Woo. Infr. Rpt.). He opines that both models infringe Nichia's design patents because, in part, the ordinary observer test is satisfied. Krosin Decl., Ex. 19 at ¶¶ 7, 8, 66 (Woo. Infr. Rpt.).

Mr. Woodring further opines that LEDs are a matter of concern though hidden in use because they are "visible during at least a portion of their commercial life." Krosin Decl., Ex. 35 at ¶¶ 7-16 (Woo. Rebuttal Rpt.).

The Court should preclude Mr. Woodring from opining on the viewpoint of an ordinary observer and exclude such testimony and portions of his expert reports because 1) Mr. Woodring himself agrees that he lacks even the basic qualifications of an ordinary observer; 2) "design experts" are not ordinary observers and even if they were, Mr. Woodring's design experience is not in the relevant field of sideview SMD LEDs; and 3) the record already includes evidence from actual ordinary observers so testimony from Mr. Woodring is extraneous and does not "assist the trier of fact" in its infringement analysis.

---

[8] In its Motion for Summary Judgment, Nichia repeatedly cites to Mr. Woodring's deposition testimony for the proposition that the "designs are so similar that Seoul must have copied Nichia's product." (Nichia Mot. at 9-11, 13).

1. The Legal Standard: The Ordinary Observer Is A Purchaser, Not A "Design Expert"

Nichia must show that the patented designs and Seoul's 902s series LEDs are substantially the same "in the eye of an ordinary observer, given such attention as a purchaser usually gives." *Gorham Mfg. Co. v. White*, 81 U.S. 511, 528 (1872). **The ordinary observer is the purchaser of the accused product.** *See id.*; *Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co.*, 162 F.3d 1113, 1117 (Fed. Cir. 1998). Two designs are only substantially the same "if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other." *Gorham,* 81 U.S. at 528. The deception must stem from ornamental, not functional, features. *Unidynamics Corp. v. Automatic Prods. Int'l.*, 157 F.3d 1311, 1323 (Fed. Cir. 1998); *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186, 1188 (Fed. Cir. 1988). Where a patented design is composed of both functional and ornamental features, to prove infringement "a patent owner must establish that an ordinary person would be deceived by reason of the common features in the claimed and accused designs which are ornamental." *Elmer v. ICC Fabricating, Inc.*, 67 F. 3d 1571, 1577 (Fed. Cir. 1995); *OddzOn Prods., Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405 (Fed. Cir. 1997) (quoting *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 825 (Fed. Cir. 1992)).

As the Supreme Court and Federal Circuit have emphasized, "***Gorham* counsels against measuring the similarity of designs from the viewpoint of experts in design**." *Goodyear Tire*, 162 F.3d at 1117 (affirming finding of no infringement and determination that the ordinary observer of the accused tire tread was a prospective purchaser of truck tires, i.e., a trucker or fleet operator) (emphasis added); *see Gorham*, 81 U.S. at 527-28 ("Experts, therefore, are not the persons to be deceived."). "The reason *Gorham* cautioned against using experts as ordinary observers in most cases was that experts in most cases are not purchasers of the relevant items." *Arminak & Assoc., Inc. v. Saint-Gobain Calmar, Inc.*, 424 F. Supp. 2d 1188, 1199-1200 (C.D. Cal. 2006) (holding no infringement of design patents in declaratory judgment action and

that the ordinary observer was a purchaser of the accused product).

"The standard is whether such a **purchaser** would be misled, by the design similarity imparted to the article by the copier, to think that it is the patentee's design that is being purchased. Thus **the focus is on the actual product that is presented for purchase, and the ordinary purchaser of that product**." *Goodyear Tire*, 162 F.3d at 1117 (emphasis added).

For hidden in use, an object hidden during its normal use cannot be a "matter of concern" to customers. *See In re Webb*, 916 F.2d 1553, 1557 (Fed. Cir. 1990) (citing *In re Stevens,* 173 F.2d 1015, 1016 (CCPA 1949), and *In re Cornwall*, 230 F.2d 457 (CCPA 1956) (affirming rejection of design claim for vent tube put in wall)); *Static Control Components, Inc. v. Lexmark Int'l, Inc*, --- F. Supp. 2d ----, 2007 U.S. Dist. LEXIS 31445, *37-38 (E.D. Ky. 2007). The hidden in use inquiry is also conducted from the viewpoint of a purchaser.

Here, Mr. Woodring is not an ordinary purchaser-- in fact, [redacted]

2. Mr. Woodring Agrees That Ordinary Observers Are Purchasers

[redacted]

Ex. A, Tr. 97:11-19 (Woo.) (emphasis added).

3. Mr. Woodring Agrees That He Is Not An Ordinary Observer

Mr. Woodring openly admits in his report and deposition that he is not an ordinary observer, not even as he defines one. Krosin Decl., Ex. 19 at ¶ 57 (Woo. Infr. Rpt.); Ex. A, Tr. 139:7-16, 101:8-19, 15:17-16:4 (Woo.). [redacted]

Ex. A, Tr. 101:8-19, 139:7-16 (Woo.) (emphasis added).

Nichia cannot circumvent the ordinary observer test by introducing testimony from Mr. Woodring on this issue as a "design expert."[9] Mr. Woodring has further disqualified himself from opining on the viewpoint of ordinary observers for two reasons.

First, Mr. Woodring's testimony and circular logic goes against the whole point of the ordinary observer test. According to Mr. Woodring, as a design expert, he is "more visually discriminating and more attentive to visual nuances" than the ordinary observer. Krosin Decl., Ex. 19 at ¶ 57 (Woo. Infr. Rpt.); *see* Ex. A, Tr. 100:23-101:7 (Woo.). [redacted]

Second, even if the Court were to assume that Mr. Woodring is a design expert and Nichia were to somehow substitute the Supreme Court's ordinary observer test with Mr. Woodring's design expert test, Mr. Woodring is still not qualified because his design expertise is not in the relevant field of sideview SMD LEDs, or any LEDs for that matter. *See also* Section II.A above. [redacted]

---

[9] Seoul does not contend that an expert witness cannot be an ordinary observer, but Mr. Woodring, by his own admissions, is clearly not one. In fact, Mr. Flasck is an ordinary observer. *See supra* n.4. He has evaluated and had responsibility for selecting LEDs to incorporate into products as a purchaser. Ex. C, Tr. 9:17-11:21 (Fla.). Mr. Flasck has also selected, designed, and developed several LED products and prototypes over the last 15 years. Ex. C, Tr. 6:2-13:4 (Fla.).

[10] Mr. Dong-Hwan Lee was deposed after Nichia served Mr. Woodring's rebuttal report and Mr. Woodring was deposed.

4. The Record Already Includes Evidence From Actual Ordinary Observers So Testimony From Mr. Woodring Does Not "Assist The Trier Of Fact" In Its Infringement Analysis

Only expert testimony that "will assist the trier of fact" is permitted. Fed. R. Evid. 702. Mr. Woodring's testimony here adds nothing. The record already includes ample evidence from actual ordinary observers/ purchasers of sideview LEDs and the trier of fact can draw its own inferences from this available evidence. Jeong Ju Kim of Namotek, Bang Gun Kim of Hyundai LCD, and Dong-Hwan Lee of Samsung SDI are all ordinary observers.[11] (*See also* Seoul Mot. for Summary Judgment at 9-14, 20-21, 30) (describing testimony by ordinary observers). [redacted]

Jeong Ju Kim, Namotek's director of sales, production, manufacturing, development, and component technology, for the past three years has decided which LEDs to incorporate into Namotek's BLUs. Ex. E, Tr. 26:21-27:5 (J.J. Kim). Namotek is a BLU manufacturer.

Bang Gun Kim, an Associate Engineer in the Research and Development Department at Hyundai LCD, designs and develops LCD modules containing LEDs and is responsible for selecting and purchasing components for new LCD modules. Ex. F, Tr. 17:21-25, 18:5-8, 18:20-21; 19:21-24, 20:16-22:17 (B.G. Kim). Hyundai LCD makes LCD modules. *Id.* at Tr. 80:20-25.

---

[11] In addition, Mr. Flasck qualifies as an ordinary observer. *See supra* n.4.

[12] [redacted] Because he has no independent knowledge of these facts, this testimony should be excluded. [redacted]

Dong-Hwan Lee [redacted]

By contrast, Mr. Woodring is not an ordinary observer. His testimony as a self-proclaimed design expert outside the relevant field of sideview LEDs will not assist the trier of fact in determining infringement under the ordinary observer test. *See* Sections II.A and IV.B.3 above. Because testimony from Mr. Woodring, who does not qualify as an ordinary observer, regarding the viewpoint of ordinary observers does not assist the trier of fact under Rule 702, it should be excluded.

C. Mr. Woodring Is Not An Individual Of Ordinary Skill In The Art

1. Mr. Woodring's Testimony On Point Of Novelty, Functionality, Anticipation, And Obviousness

Mr. Woodring opines on the point of novelty test for infringement and the invalidity grounds of functionality, anticipation, and obviousness. *See* Section II.B above. Nichia relies extensively on Mr. Woodring's testimony in its Motion for Summary Judgment. The Court should exclude Mr. Woodring's testimony and strike Nichia's reliance on Mr. Woodring in its Motion for Summary Judgment on these issues.

2. The Court Should Adopt The Definition Of "One Of Ordinary Skill In The Art" Agreed Upon By Both Parties' Experts

In design patent cases, one of ordinary skill in the art is a "designer of ordinary capability who designs articles of the type presented in the application." *In re Nalbandian,* 661 F.2d 1214, 1216 (CCPA 1981) (noting consistency with the requirement in *Graham v. John Deere Co.*, 383 U.S. 1 (1966), that the level of ordinary skill in the pertinent art be determined);

see 35 U.S.C. § 103.[13] Experts who do not meet the standards of one of ordinary skill in the art cannot opine on a design's obviousness, anticipation, or other invalidity grounds. *See Motorola, Inc. v. Alexander Mfg. Co.*, 786 F. Supp. 808, 813-14 (N.D. Iowa 1991) ("Defendant, however, failed to establish the level of ordinary skill in the relevant art or that the expert possessed the necessary skill in the relevant art to evaluate obviousness.").

Courts often adopt the definition of a person of ordinary skill in the art proposed by a party's expert. *See IXYS Corp. v. Advanced Power Tech., Inc.*, 321 F. Supp. 2d 1133, 1148-49 (N.D. Cal. 2004) (adopting definition proposed by plaintiff's expert and not disputed by defendant, specifying the educational level and experience of a person of ordinary skill in the art). The Court should adopt the definition agreed upon by both Seoul's liability expert, Mr. Flasck, and Nichia's other liability expert, Dr. Schubert: "an individual with an undergraduate degree in materials science, physics, chemistry, electrical, mechanical, or optical engineering. This individual would have the ability to apply sound engineering principles and practices in design activity. By virtue of education and/or experience he or she would be familiar with semiconductor packaging, injection molding, surface mount technology, optical engineering, and design and manufacture" of LEDs.[14] *See* Kim Decl., Updated Ex. LL at 10 (Fla. Rpt.); Krosin Decl., Ex. 8 at ¶ 73 (Sch. Rebuttal Rpt.) (agreeing with Mr. Flasck's definition and narrowing definition to experience with LEDs, not the broader category of consumer electronics, design and manufacture).

---

[13] *See also Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005), *cert. denied*, 126 S. Ct. 1332 (2006) ("That starting point is based on the well-settled understanding that inventors are typically persons skilled in the field of the invention and that patents are addressed to and intended to be read by others of skill in the pertinent art.").

[14] [redacted]

3. Mr. Woodring Is Not A Person Of Ordinary Skill In The Art

Mr. Woodring is not a person of ordinary skill in the art. [redacted]

Mr. Woodring does not come close to meeting the parties' definition of an individual of ordinary skill in the art in the field of side view SMD LEDs. *See* Kim Decl., Updated Ex. LL at 10 (Fla. Rpt.); Krosin Decl., Ex. 8 at ¶ 73 (Sch. Rebuttal Rpt.). [redacted]

---

15 [redacted]

[redacted]

4. Mr. Woodring's Invalidity Testimony Should Be Excluded Under Rule 702 Because It Is Not Reliable And He Does Not Have Specialized Knowledge To Qualify As An Expert On Invalidity

As described above, Mr. Woodring's invalidity testimony should also be excluded because it is not reliable under Rule 702. *See* Sections II.A, II.C and IV.A. [redacted]

"It's not rocket science." In addition, Mr. Woodring admits that he does not have any specialized knowledge to qualify as an expert on invalidity. [redacted]

[redacted] *Id.*; *see* Fed. R. Evid. 702 (permitting expert testimony of scientific, technical, or specialized knowledge).

5. If The Court Does Not Exclude Mr. Woodring, At Minimum, The Court Should Give No Weight To His Testimony On Invalidity Or The Point Of Novelty Test

Courts accord little weight to experts who do not properly define the individual of ordinary skill in the art and who themselves fail to meet the definition adopted. *Motorola*, 786 F. Supp. at 813-14 ("Defendant, however, failed to establish the level of ordinary skill in the relevant art or that the expert possessed the necessary skill in the relevant art to evaluate obviousness. Therefore, the expert's testimony is not persuasive."). Mr. Woodring, as described above, does not come close to meeting the parties' agreed upon definition of one of ordinary skill in the art. At minimum, like *Motorola*, the Court should not give any weight to Mr. Woodring's testimony on the invalidity grounds of obviousness, functionality, and anticipation or the point of novelty test for infringement.

D. Nichia's Reliance On Hearsay In Its Summary Judgment Motion Should Be Stricken

Federal Rule of Evidence 703 clearly provides that an expert may not serve as a mere conduit for the hearsay of another. Fed. R. Evid. 703; *see Paddack v. Dave Christensen, Inc.*, 745 F.2d 1254, 1262 (9th Cir. 1984); *U.S. v. Lundy*, 809 F.2d 392, 395 (7th Cir. 1987) (A court must insure that an expert witness is testifying as an expert and not merely a conduit through which hearsay is brought before the jury). Rule 703 compels the use of a balancing test to determine whether the evidence is admissible. *See also Turner v. Burlington N. Santa Fe R.R. Co.*, 338 F.3d 1058, 1061-62 (9th Cir. 2003); *Rambus, Inc. v. Infineon Technologies AG*, 222 F.R.D. 101, 111 (E.D. Va. 2004). This balancing test is weighed against the admission of such evidence. The 2000 Advisory Committee Note to Rule 703 states that "[t]he amendment provides a presumption against disclosure to the jury of information used as the basis of an expert's opinion and not admissible for any substantive purpose, when that information is offered by the proponent of the expert." *Turner,* 338 F.3d at 1062.

Numerous courts have applied these provisions to exclude expert testimony. In *Paddack*, for example, the court found that audit reports were hearsay and that the expert could not rely on such evidence to establish the truth of what they assert. 745 F.2d at 1262. In *Turner*, the court found that because the probative value that would result from the admission of a lab report relied upon by the expert did not substantially outweigh its prejudicial effect, the expert was not allowed to testify about the report. 338 F.3d at 1062. In *Rambus*, the court found that Rambus' expert witnesses could not testify to the Initial Decision of the administrative law judge in the Federal Trade Commission's case against Rambus because "the probative value of the Initial Decision in assisting the jury to evaluate Rambus' experts' opinions would not substantially outweigh the prejudicial effect that the introduction of the Initial Decision would engender." 222 F.R.D. at 111-12.

[redacted] In this case, as in those cited above, Nichia cannot use its expert to serve as a conduit for hearsay testimony to establish Mr. Ishida's intent; doing so is highly prejudicial and inappropriate, especially so on a motion for summary judgment. *Beyene v. Coleman Sec. Services, Inc.*, 854 F.2d 1179, 1181 (9th Cir. 1988) ("It is well settled that only admissible evidence may be considered by the trial court in ruling on a motion for summary judgment."). In addition, Mr. Woodring is not an expert on the intent of a LED patent designer and his testimony cannot "assist the trier of fact." Fed. R. Evid. 702.

Nichia's assertions in its Motion for Summary Judgment regarding Mr. Ishida's intent should be stricken because they are based solely on inadmissible hearsay testimony from Mr. Woodring and he lacks the qualifications to opine on the intent of a LED patent designer.

V. CONCLUSION

Seoul respectfully requests that the Court exclude the reports and testimony of Mr. Woodring 1) because he is not qualified to testify as an expert in this matter and his testimony is not based on sufficient facts or data; 2) as an ordinary observer; and 3) as one of ordinary skill in the art. Seoul also respectfully requests that the Court strike Nichia's reliance on Mr. Woodring in Nichia's Motion for Summary Judgment, including those portions of Nichia's Motion relying on inadmissible hearsay.

DATED: June 29, 2007 Bingham McCutchen LLP

By: /s/ Chi Soo Kim
Chi Soo Kim
Attorneys for Defendants
Seoul Semiconductor, Co., Ltd., and
Seoul Semiconductor, Inc.